

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

INVESTMENT COMMITTEE

OPEN SESSION

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SUBJECT: General – Budget Report Update

ITEM NUMBER: 7

ATTACHMENT(S): 1

ACTION: \_\_\_\_\_

DATE OF MEETING: August 4, 1999

INFORMATION: X

PRESENTER: Ms. Okada

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EXECUTIVE SUMMARY

Attachment 1 is an unaudited report of investment expenditures for the support and continuous appropriation budgets and securities lending income through June 30, 1999. Included in the report are the following:

- actual expenditures for fiscal year 1996/97
- actual expenditures for fiscal year 1997/98
- projected expenditures for fiscal year 1998/99
- actual expenditures through 06/30/99 (unaudited)
- securities lending income for fiscal years 1996/97, 1997/98 and 1998/99

<b>CalSTRS INVESTMENT COSTS</b>				
	Actual thru 06/30/97	Actual thru 06/30/98	Projected	Actual thru 06/30/99
	1996/97	1997/98	1998/99	1998/99
CATEGORY				
<b>Portfolio Value (in billions)</b>	<b>\$75.00</b>	<b>\$88.00</b>	<b>\$95.00</b>	<b>\$99.89</b>
EXPENDITURES				
Continuous Appropriations				
Dom. Equities-Active	\$6,112,089	\$3,054,825	\$8,035,000	\$6,236,044
Intl Eq-Active	13,432,133	13,563,353	15,350,000	18,857,279
Dom. Equities-Passive	337,500	450,000	450,000	337,500
Intl Eq-Passive	2,436,119	914,851	2,125,000	2,586,290
Emerging Markets	338,272	702,746	1,250,000	1,732,919
Global Asset Allocators	8,010,104	7,431,825	5,000,000	5,613,563
Fixed Income	0	0	0	0
Real Estate Advisors	6,907,348	10,373,290	5,170,000	5,043,402
Internal Contractors	423,500	0	0	0
Consultants (Gen./R.E.)	542,000	366,152	545,000	570,333
Alternative Investment	1,699,655	498,677	750,000	732,584
Alternative Investment**	0	385,972	0	0
Legal Services	218,352	120,873	400,000	90,275
Interagency Agreements	100,715	23,564	50,000	12,705
Custodian	2,059,686	1,825,161	2,750,000	2,553,042
Travel	110,124	81,366	150,000	122,376
Miscellaneous	220,734	124,540	125,000	73,894
Miscellaneous Services	0	377,903	70,000	70,796
Fiduciary Insurance	257,080	245,000	262,000	261,870
PERS	229,257	0	0	0
Council of Inst. Investors	25,000	25,000	25,000	25,000
<b>Total Continuous Appr.</b>	<b>\$43,459,667</b>	<b>\$40,565,098</b>	<b>\$42,507,000</b>	<b>\$44,919,872</b>
Support Budget				
Personal Services	\$2,499,864	\$2,644,968	\$2,949,534	\$2,857,090
Operating Exp & Equip	16,412	24,387	51,000	28,241
<b>Total Support Budget</b>	<b>\$2,516,277</b>	<b>\$2,669,355</b>	<b>\$3,000,534</b>	<b>\$2,885,331</b>
<b>Total Investment Budget</b>	<b>\$45,975,943</b>	<b>\$43,234,453</b>	<b>\$45,507,534</b>	<b>\$47,805,203</b>
<b>Total Costs/Basis Points</b>	<b>6</b>	<b>5</b>	<b>4.8</b>	<b>4.8</b>
<b>Securities Lending Income</b>	<b>\$45,351,062</b>	<b>\$51,360,357</b>	<b>N/A</b>	<b>\$62,889,443</b>
** Final payment to Abbott Capital Management				